

Congress of the United States
Washington, DC 20510

April 6, 2009

The Honorable Timothy Geithner
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Geithner:

We write to request that the Treasury Department permit states to monetize a portion of their low-income housing tax credits that they received in response to recent hurricanes and floods in the Gulf Coast and Midwest.

Under the Gulf Opportunity Zone Act of 2005 and the Emergency Economic Stabilization Act of 2008, several states received additional allocations of low-income housing tax credits (collectively, "the disaster tax credits") in order to address the loss of affordable housing after devastating hurricanes and floods.

While states have sought to use their disaster tax credits aggressively, the current downturn in the economy has marginalized their value, placing numerous affordable housing projects in jeopardy. In response to this problem, the Congress passed the American Recovery and Reinvestment Act of 2009 (hereinafter, "the Recovery Act"), which permits state housing agencies to exchange a portion of their low-income housing tax credits for direct funding.

The Recovery Act lacks clarity, however, as to whether state housing agencies can re-allocate or return a portion of their disaster tax credits so that they can be exchanged for direct funding.

States in the Gulf Coast and Midwest have relied heavily upon the low-income housing tax credit program after grappling with numerous hurricanes and floods. Unfortunately, the current economic conditions are threatening a number of important rebuilding initiatives.


It is therefore our hope that the Treasury Department will provide the appropriate guidance so that states can re-allocate the disaster tax credits that have previously been returned to them. Similarly, we request that the Treasury Department confirm that disaster tax credits allocated prior to calendar year 2009 are eligible to be exchanged for direct funding under the Recovery Act. In short, we want to ensure that the disaster tax credits are treated in the same manner as a state's regular allocation of low income housing tax credits.


These determinations will ensure that storm battered states will have the appropriate resources to rebuild desperately needed affordable housing.

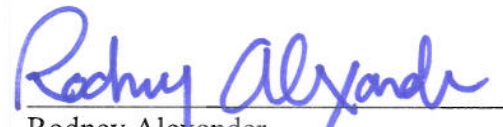
Thank you in advance for your attention to this matter. If you have any questions regarding the foregoing, please do not hesitate to contact us.

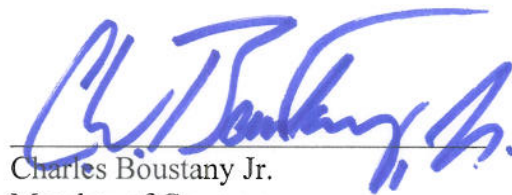
Sincerely,

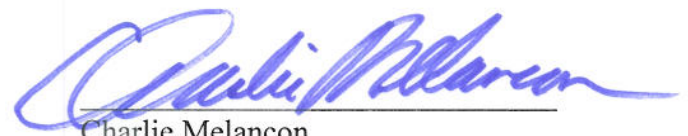

Mary L. Landrieu
United States Senator

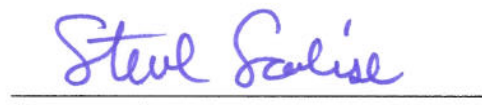

Thad Cochran
United States Senator

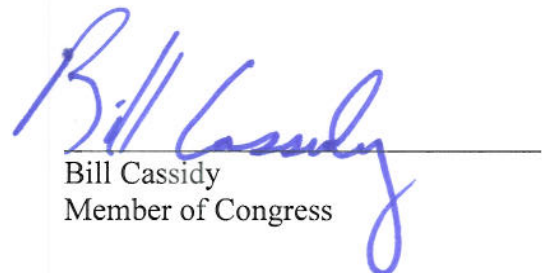

David Vitter
United States Senator


Rodney Alexander
Member for Congress


Charles Boustany Jr.
Member of Congress


Charlie Melancon
Member of Congress


Steve Scalise
Member of Congress


Bill Cassidy
Member of Congress


Anh Joseph Cao
Member of Congress